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C O N F I D E N T I A L SECTION 01 OF 02 BRASILIA 002151

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TAGS: <u>PREL PBTS MASS MCAP BR GY VE IR RS</u>
SUBJECT: FORMER PRESIDENT URGES USG TO COUNTER CHAVEZ

REF: A. BRASILIA 2132 ¶B. BRASILIA 313

Classified By: AMBASSADOR CLIFFORD SOBEL, REASONS 1.4 B AND D

(C) Summary. Former President and sitting senator Jose Sarney (PMDB, Brazilian Democratic Movement Party, governing coalition; of Amapa) urges the USG to do more to counter Venezuelan President Hugo Chavez's increasingly destabilizing actions in the region. Sarney said Chavez threatens to create a hotspot of regional conflict like the Balkans, and he reiterated that Chavez will seize Guyana's Essequibo region (ref B), and he hoped Brazil and the U.S. would step in and confront Chavez if he did anything extraterritorial. He expressed concern over an increasing flow of foreign arms into the region and urged the USG to pressure Russia to stop selling arms to Venezuela, emphasizing that this is not a U.S.-Venezuela problem, but a regional one. The growing link between Venezuela and Iran is part of Chavez's plan to spread his destabilizing influence, Sarney said, but he considers it unlikely that Iranian President Mahmoud Ahmadinejad will visit Brazil (ref A). Sarney predicted the Brazilian Senate would not approve Venezuelan accession to Mercosul, and he recommended the U.S. and Brazil make positive gestures toward Bolivia. Sarney belongs to a growing chorus of elites worried about destabilization from Caracas, but he supports President Lula's conflict-averse approach and, like many, looks to Washington to take the lead in countering Chavez. End summary.

Chavez will destabilize a divided South America

 $\underline{\ \ }$ 2. (SBU) Jose Sarney, former president of Brazil, now an influential senator, told Ambassador on November 13 that Chavez "is a big danger for us and the U.S.," the USG should be more concerned about Chavez's destabilizing effects in the region, and the U.S. should engage more, and more visibly, throughout the region. South America has changed from a continent of similar countries to a divided continent where Chavez exploits divisions, destabilizes states, and will replace the previous generations' peaceful legacy with a divisive and bellicose legacy, Sarney explained. He bel Brazilian President Lula is aware of the dangers Chavez He believes presents, and understands the concerns and needs of the Brazilian armed forces, but added that the Foreign Ministry is "infiltrated" with Chavez sympathizers. Asked about the effort to revive the moribund Amazonian Parliament

("Parlamaz," ref A), Sarney replied, "Chavez wants what serves $\mbox{him."}$

Chavez will attack Guyana

13. (C) Sarney repeated his firm conviction that "Chavez wants to do what all dictators do, start an external war, and will attack Guyana to seize the Essequibo region, claimed by Venezuela. (Sarney previously expressed this view, ref B.) (In a private conversation with the Ambassador a few days later, Defense Minister Nelson Jobim expressed a personal concern that if Chavez started to have domestic problems, he could decide to focus public attention on unresolved claims on Venezuela's borders.) He hoped Brazil and the U.S. would step in and confront Chavez if he did anything extraterritorial. While Brazil and the U.S. would be drawn into the conflict, Bolivarian Circles in Brazil (ref A) would support Chavez's Essequibo aggression, Sarney said, recalling that Brazil-Nicaragua friendship groups harvested coffee in Nicaraqua during Daniel Ortega's first presidency. (Note: Brazilian media reported on November 17 that Guyana accused Venezuela of invading its territory with a military operation on November 15 against gold mining operations inside Guyana; Venezuela reportedly said the action was inside Venezuela. End note.)

Pressure Russia to stop arms sales

14. (SBU) Sarney said the USG must pressure Russia and others who sell arms in the region, even if it appears to be a futile effort, otherwise South America will have a Balkan

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or Korean conflict on its soil. Arms sales do not merely involve Venezuela, but will destabilize the whole region, and the USG should view it as such, Sarney said, emphasizing that this is not a U.S.-Venezuela problem, but a regional one. He suggested there ought to be more arms embargoes for the region, and recalled how as president he helped ensure the imposition of an embargo on Chile at a tense time in Chilean-Argentine relations.

Iran-Venezuela Ties

 $\underline{\P}5$. (SBU) Venezuela's growing relationship with Iran is but "a part of Chavez's plan" that includes fomenting anti-Americanism and replacing Fidel as the regional leftist leader, but Sarney said he did not think Ahmadinejad would come to Brazil, although he was to have come in September and canceled on short notice. (ref A).

Venezuelan Mercosul Accession

16. (SBU) Sarney predicted Venezuelan accession to Mercosul will be defeated in the Brazilian Senate because everyone understands what Chavez is up to. (Note: The accession bill is in the Chamber of Deputies and has two more hurdles to pass before it reaches the Senate. There is a growing chorus in both houses of Congress voicing deep concerns about Venezuelan behavior, and Senate approval is uncertain. End note.)

Bolivia

17. (SBU) President Sarney told the Ambassador he has long believed that because of Bolivia's historical baggage over its loss of territory to Brazil, Paraguay, Chile and Peru, and now the historical baggage that Evo Morales expresses (the indigenous as oppressed and rightful owners of the land), Brazil and the U.S. would do well to make joint, positive gestures to Bolivia. Bolivia is barely viable as a

country and needs help, even concessions, from Brazil, Sarney said, in order to prevent Chavez from taking over management of Bolivia.

18. (C) Comment. Sarney's urging of more USG involvement in South America indicates he believes Brazil and her neighbors cannot by themselves overcome the problems Chavez is causing in the neighborhood. The chorus of anti-Chavez warnings is growing, but prescriptions vary: while Sarney favors fewer arms in the region, another leading senator favors more arms to create a balance (ref A). Sarney has publicly praised Lula's approach of avoiding interference in Venezuela's internal affairs and maintaining good ties with Chavez, while opposition politicians criticize Lula's approach as weak and fearful of conflict. Although Chavez still has his supporters in Brazil -- Lula himself publicly defended Venezuelan democracy the day after the Ambassador's meeting with Sarney -- the mood is changing, and there is growing agreement among the political and foreign policy elites that Venezuela represents a threat to stability and that something must be done. Despite the growing pride here in Brazil's global and regional role, many nonetheless look to the U.S. to lead in countering Chavez; few seem to be considering the possibility that Brazil might take more public leadership on the issue.

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